CapitaLand Malaysia Trust (CLMT MK)

4Q25: In Line; Low-teens Rental Reversion For 2026

BUY (Maintained)	
Share Price	RM0.67
Target Price	RM0.78
Upside	16.4%

Analyst(s)
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Highlights

- 4Q25 results are within expectation. 2025 DPU of 4.84 sen implies an annualised yield of 7.7%.
- Management is targeting a low-teens positive rental reversion in 2026, driven by better traffic footfall of key malls brought about by VMY2026.
- Maintain BUY with an unchanged target price of RM0.78. CLMT remains our top pick due to its attractive yield of 8%.

4Q25 Results

Year to 31 Dec (RMm)	4Q25 (RMm)	3Q25 (RMm)	4Q24 (RMm)	qoq % chg	yoy % chg	2025 (RMm)	yoy % chg
Rental income	105.1	95.3	97.9	10.3	7.4	391.9	7.6
Car park income	8.2	8.0	8.1	2.4	2.1	32.7	2.9
Other revenue	11.2	12.7	14.1	(11.4)	(20.1)	52.1	(11.5)
Total revenue	124.6	116.0	120.0	7.4	3.9	476.8	4.8
Operating expenses	(43.1)	(46.9)	(47.5)	(8.2)	(9.2)	(187.3)	(1.8)
Net property income	81.5	69.1	72.5	18.0	12.4	289.4	9.7
Non-operating expenses	(33.4)	(32.6)	(32.1)	2.4	3.7	(130.8)	2.2
Core net profit	48.7	37.2	41.0	31.1	18.9	161.4	19.4
Core EPU (sen)	1.46	1.12	1.42	31.1	2.7	5.17	7.9
DPU (sen)	1.27	1.11	1.22	14.4	4.1	4.84	4.1
Margins (%):				ppt chg	ppt chg		ppt chg
Net property income	65.4	59.6	60.4	5.9	5.0	60.7	2.7
PAT	39.1	32.0	34.2	7.1	5.0	33.9	4.1

Source: CapitaLand Malaysia Trust, UOB Kay Hian

Analysis

- **Within expectations.** CapitaLand Malaysia Trust (CLMT) reported 4Q25 revenue of RM105m (+10% qoq, +7% yoy) and core net profit of RM49m (+31% qoq, +19% yoy). Cumulatively, 2025 core net profit of RM161m (+19% yoy) was 6% and 7% higher than our and consensus full-year estimates respectively. We deem the results in line with our expectations, due to the switch to straight-line rental income recognition in accordance with MFRS 16. Average cost of debt declined to 4.26% p.a. (from 4.50% p.a. in 2024).
- **Declares 1.27 sen dividend, in line with expectation.** A dividend of 1.27 sen was declared for 4Q25, bringing 2025 distribution per unit to 4.84 sen, which implies an annualised yield of 7.7%.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	454.8	476.8	508.8	523.5	538.6
Operating profit	234.3	257.5	271.0	277.9	285.0
Net profit (rep./act.)	187.2	181.7	173.3	176.9	177.9
Net profit (adj.)	138.3	161.5	173.3	176.9	177.9
EPU (sen)	4.8	4.8	5.2	5.3	5.3
DPU (sen)	4.7	4.8	5.1	5.2	5.2
PE (x)	13.5	13.4	12.6	12.3	12.3
P/B (x)	0.6	0.6	0.7	0.7	0.7
DPU Yld (%)	7.2	7.4	7.8	8.0	8.0
Net margin (%)	30.4	33.9	34.1	33.8	33.0
Net debt/(cash) to asset (%)	39.6	37.4	36.9	38.0	39.1
Interest cover (x)	2.5	2.7	2.8	2.8	2.7
Consensus DPU (sen)			4.9	5.1	-
UOBKH/Consensus (x)			1.0	1.0	-

Source: CLMT, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Real Estate
Bloomberg ticker:	CLMT MK
Shares issued (m):	3,331.3
Market cap (RMm):	2,048.7
Market cap (US$m):	484.3
3-mth avg daily t'over (US$m):	0.5

Price Performance (%)

52-week high/low				RM0.685/RM0.55
1mth	**3mth**	**6mth**	**1yr**	**YTD**
7.2	7.2	3.1	(1.5)	7.21

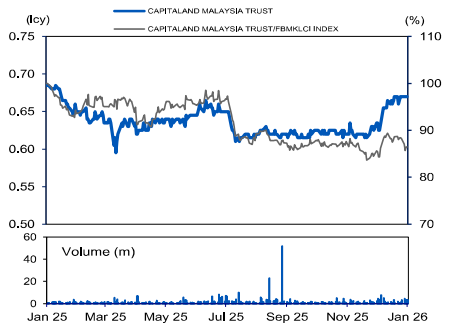
Major Shareholders

	%
CMMT Investment	32.8
Employees Provident Fund	15.4
Amanah Saham Nasional	11.1

Balance Sheet Metrics

	%
FY25 NAV/Share (RM)	0.95
FY25 Net Debt/Share (RM)	0.63

Price Chart



Source: Bloomberg

Company Description

CapitaLand Malaysia Trust is a real estate investment trust. The trust makes long-term investments in income-producing real estate primarily used for retail purposes and located in Malaysia.

- **Targeting a low-teens rental reversion in 2026.** The average rental reversion grew to +12.2% in 2025 (vs +10.9% in 9M25), driven by a +12.0% reversion from retail and +20.8% from logistics assets, mainly from Valdor Logistics Hub. Despite rising competition from openings of new malls in Klang Valley, management remains cautiously optimistic, supported by an expected improvement in footfall in key malls (Penang, Kuantan and Sungai Wang) brought about by Visit Malaysia Year 2026 (VMY2026). Management guides for low-teens retail rental reversion for the full year. As of end-Dec 25, 11.6% of leases expiring in 2026 have been renewed.
- **Shopper traffic and retail portfolio occupancy improved.** In 4Q25, tenant sales psf remained flattish (-0.8% yoy) while shopper traffic rose 1.8% yoy, supported by stronger tourist arrivals and year-end festive spending. Retail portfolio occupancy also improved to 93.7% as of end-Dec 25, vs 93.5% as of end-Sep 25, thanks to continuous asset enhancement initiatives (AEI) done at Gurney Plaza, 3 Damansara and The Mines.
- **On track to meeting industrial target of 20%.** CLMT completed the acquisition of Synergy Logistics Hub in Nov 25 and announced a proposed forward purchase of five high-specification industrial facilities (target gross yield: 7.3%) in Iskandar Malaysia in Dec 25, targeted for completion in 1Q27-1Q28. Industrial and logistics portfolio will expand to 11.5% of total portfolio asset under management (AUM) from the current 7.9%. Management is in talks with other parties to acquire industrial assets in Johor, Penang and Klang Valley as it targets for industrial assets to account for 20% of its portfolio mix by 2028.

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of RM0.78.** CLMT continues to benefit from its strong presence in neighbourhood malls, with assets outside Klang Valley delivering a resilient performance. In recent years, the REIT has expanded into industrial properties, acquiring over RM600m worth of assets. We remain positive on CLMT for its attractive dividend yield of 8%. Our DDM-based target price implies a 6.6% 2026 dividend yield (vs 10-year mean of 6.1%), based on a required rate of return of 8.5% and terminal growth rate of 1.5%.

Earnings Revision/Risk

- No change in earnings.

Environment, Social, Governance (ESG) Updates

Environmental

- CLMT is committed to working towards the long-term and annual targets under CapitaLand's 2030 SMP Framework to: a) cut carbon emission intensity by 78% by 2030, b) lower energy intensity by 35% by 2030, and c) reduce water intensity by 45% by 2030 (using 2009 as base year).

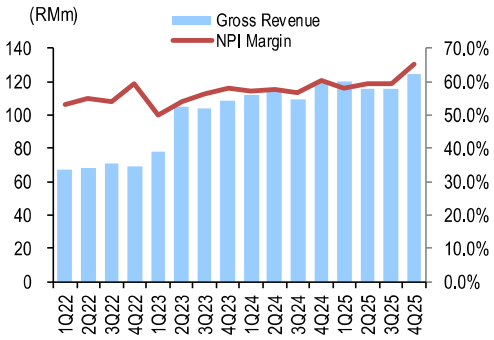
Social

- About 20% of senior management comprises women. Staff engagement score was 81% with 98% survey participation.

Governance

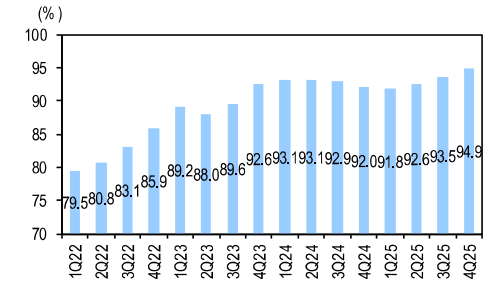
- The Board comprises five independent directors and three non-independent directors. Female representation on board is 12.5%. There are four Board Committees – Audit Committee, Executive Committee, Nomination Committee and Remuneration Committee.

Revenue and NPI Margin



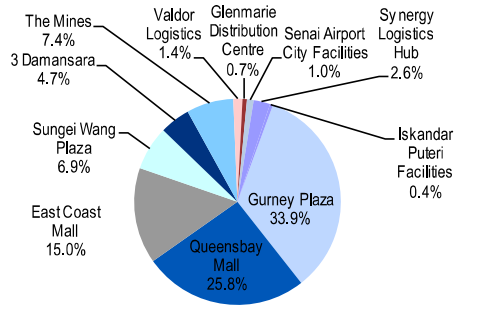
Source: CLMT, UOB Kay Hian

Portfolio Occupancy Rate



Source: CLMT, UOB Kay Hian

Revenue Breakdown (4Q25)



Source: CLMT, UOB Kay Hian

CLMT 12-month Forward Yield Spread to MGS

Source: CLMT, Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**477**	**509**	**523**	**539**
EBITDA	259	274	281	288
Deprec. & amort.	2	3	3	3
EBIT	257	271	278	286
Associate contributions	0	0	0	0
Net interest income/(expense)	(96)	(98)	(98)	(100)
Pre-tax profit	**186**	**173**	**180**	**186**
Tax	(4)	0	0	0
Minorities	0	0	0	0
Net profit	182	173	180	186
Net profit (adj.)	**161**	**173**	**180**	**186**

Balance Sheet

Year to 31 Dec (RMm)	2025	2026	2027	2028
Fixed assets	5,494	5,514	5,534	5,554
Other LT assets	4	4	4	4
Cash/ST investment	83	130	148	166
Other current assets	46	39	40	41
Total assets	**5,627**	**5,687**	**5,726**	**5,765**
ST debt	121	121	121	121
Other current liabilities	250	270	273	277
LT debt	2,065	2,105	2,145	2,185
Other LT liabilities	0	0	0	0
Shareholders' equity	3,185	3,191	3,187	3,182
Minority interest	0	0	0	0
Total liabilities & equity	**5,621**	**5,687**	**5,726**	**5,765**

Cash Flow

Year to 31 Dec (RMm)	2025	2026	2027	2028
Operating	**303**	**303**	**283**	**291**
Profit fo the year	186	173	180	186
Tax	(4)	0	0	0
Deprec. & amort.	2	3	3	3
Associates	0	0	0	0
Working capital changes	22	30	2	3
Non-cash items	0	0	0	0
Other operating cashflows	98	98	98	100
Investing	(335)	(20)	(20)	(20)
Capex (growth)	(31)	(20)	(20)	(20)
Investment	4	4	4	4
Others	(308)	(4)	(4)	(4)
Financing	33	(237)	(245)	(253)
Dividend payments	(131)	(178)	(184)	(190)
Proceeds from borrowings	675	40	40	40
Loan repayment	(657)	0	0	0
Others/interest paid	147	(99)	(101)	(103)
Net cash inflow (outflow)	2	46	18	18
Beginning cash & cash equivalent	81	83	130	148
Changes due to forex impact	0	0	0	0
Ending cash & cash equivalent	**83**	**130**	**148**	**166**

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	54.4	53.8	53.7	53.5
Pre-tax margin	38.9	34.1	34.3	34.5
Net margin	38.1	34.1	34.3	34.5
ROA	3.3	3.1	3.1	3.2
ROE	6.0	5.4	5.6	5.8
Growth				
Turnover	4.8	6.7	2.9	2.9
EBITDA	9.8	5.6	2.6	2.7
Pre-tax profit	(5.0)	(6.6)	3.7	3.3
Net profit	(2.9)	(4.6)	3.7	3.3
Net profit (adj.)	16.8	7.3	3.7	3.3
EPU	1.0	6.7	3.6	3.3
Leverage				
Debt to total capital	40.7	41.1	41.6	42.0
Debt to total asset	68.6	69.8	71.1	72.5
Net debt/(cash) to asset	66.0	65.7	66.5	67.3
Interest cover (x)	2.7	2.8	2.9	2.9

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